Review of Technology Upgradation Fund Scheme

463. SHRI R.S. GAVAI: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have reviewed the implementation of the Technology Upgradation Fund Scheme for Textile and Jute industries;

(b) if so, the details thereof;

(c) the number of applications received for loan and amount disbursed against these applications during the last three years;

(d) whether any request for relaxation in norms has been received by Government; and

(e) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) The Government have constituted a 22 members Inter-Ministerial Steering Committee (IMSC), under the Chairmanship of Secretary (Textiles), for reviewing and monitoring the implementation of the Technology Upgradation Fund Scheme (TUFS) for the textile and jute industries. The IMSC has been reviewing and monitoring the implementation of TUFS on a regular basis, and has so far held 5 meetings. It is an ongoing exercise. On the basis of feed-back received from various quarters, the IMSC has reviewed the scheme and taken a number of decisions for effective implementation of the scheme. The important decisions taken are as under:

(i) The loans which were sanctioned prior to 1-4-1999; but not disbursed can be considered under TUFS as fresh cases, if otherwise they meet the parameters of TUFS.

(ii) In case a part disbursed loans, if the borrower wishes to be considered for TUFS benefits, a fresh project conforming to TUFS norms can be submitted to the lending agency after terminating the existing loan cases.

(iii) In respect of Captive Power Generation, ceiling on investment has been relaxed.

(iv) The energy saving devices, effluent treatment plants and water treatment plants can be installed without any ceiling on investment.

(v) The preliminary and pre-operative expenses and incremental margin money on working capital have been included as eligible investment under the scheme.

(vi) Yarn processing has been made an additional eligible downstream value addition activity for investment in capacity expansion in cotton ring spinning mills.

(vii) The maximum expired life (vintage) of certain second hand machinery has been enhanced from 5 years to 10 years.

(viii) Semi-automatic looms are now allowed for decentralised powerloom sector.

(ix) Air jet looms of 165 cms. width (capable of manufacturing 60 inch width Grey fabrics) and similar width in case of Water Jet looms and also automatic shuttle looms are eligible under TUFS.

(c) The TUFS was launched on 1.4.99. As on 31st May, 2000, a total of 557 applications with a total project cost of Rs. 7668 crore were received. Out of them, 380 applications with the total loan amount of Rs. 2757 crore have been sanctioned and Rs. 904 crore has been disbursed against 232 applications

(d) and (e) A number of representations have been received from various quarters for relaxation in financial norms of the nodal/co-opted financial agencies. Representations have been duly considered, and important decisions taken in this regard are as under:

(i) IDBI/SIDBI agreed to relax the norms of immediate past three years' continuous profit for availing of loan for the units which are viable, having good track record with a positive net worth even though they had incurred losses.

(ii) SIDBI has stipulated the promoters' contribution at 20% as against 33.1/3% in other cases. IDBI agreed to relax it even upto 17.5% in extremely deserving cases.

(iii) IDBI and SIDBI have agreed to extend the repayment period to 10 years (i.e. 2 years moratorium plus 8 years) instead of 8 years (i.e., 2 years moratorium plus 6 years) based on the merits of individual cases. IDBI has also agreed to graded system for repayment with lower repayment in initial years with gradual step up in subsequent years on a case to case basis.

(iv) IDBI has agreed for a flexible approach with regard to debt equity ration to provide for a D/E ratio of 1.5:1 with relaxation in deserving cases.

(v) IDBI and SIDBI have agreed that co-opted PLIs under direct finance may fix their own prudential norms without affecting technology norms under TUFS and can interpret bankable projects in their own way.

Restructuring of NTC

464. SHRI SANTOSH BAGRODIA: Will the Minister of TEXTILES be pleased to state:

(a) whether there are any disputes relating to restructuring of the National Textile Corporation;

(b) if so, whether Government have framed a new textile policy to resolve the same; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir.

(b) and (c) New Textile Policy has not been announced.

Conversion of power run handlooms into Powerloom

†465. SHRI P.K. MAHESHWARI: Will the Minister of TEXTILES be pleased to state:

(a) whether any representation has been received by Government from

†Original notice of the question was received in Hindi.